

Brana, Michael

From: McKee, Carey K [cmckee@kpmg.com]
Sent: Tuesday, August 04, 2009 12:16 PM
To: singleaudits
Subject: LA County MTA 6/30/08 Single Audit
Attachments: SCO Letter.pdf; A133-FY07.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

I'm following-up in response to a letter issued by the SCO regarding the 6/30/08 single audit of Los Angeles County Metropolitan Transportation Authority (attached). The letter indicated two exceptions in the audit package where it requested additional information/corrective action. These items were in regards to a schedule of prior year audit findings and the identification of question costs for one of the findings. The additional information requested is indicated below:

1. There were no findings included in the 6/30/07 audit report, therefore there was no schedule of prior audit findings required per OMB circular A-133. I've attached a copy of the 6/30/07 report for your reference.
2. The finding 2008-06 identified some differences in the supporting documentation for amounts reported for its DBE vendors. Since LACMTA is not reimbursed based on these amounts reported in the DBE report, any over/under reporting of amounts should not have a direct impact the amount of funds that are reimbursed by DOT and there would not be any direct question costs associated. However, since the LACMTA had some specified goals to achieve for its DBE participation, there might be some sort of monetary sanction assessed by DOT for not achieving these goals, however, if these potential sanctions were assessed any monetary impact would not be quantifiable by the auditor. We therefore indicated the questioned costs as "undetermined" to leave the door open for the DOT. It was not meant to indicate that any test work was not completed. The use of this term had been acceptable term for our previous reports issued directly to the Federal funding agency, but if its use is causing any confusion we can reassess its use for future reports.

This specific audit very recently underwent a quality control review from the DOT OIG and the report was deemed acceptable to DOT as the Cognizant Agency. Please let me know if you have any additional questions or if there is anything else requested to close out this report.

Thanks for your assistance.

<<SCO Letter.pdf>> <<A133-FY07.pdf>>

Carey McKee

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Revision

8/6/09

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Revision

Los Angeles County
Metropolitan Transportation Authority
Reports on Federal, State and Local Awards
Fiscal Year Ended June 30, 2007

RECEIVED

By Mike Brana at 8:25 am, Aug 06, 2009

**Los Angeles County
Metropolitan Transportation Authority
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**Report of Independent Auditors on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed In Accordance With
*Government Auditing Standards***

Board of Directors
Los Angeles County Metropolitan Transportation Authority
Los Angeles, California

We have audited the financial statements of the Los Angeles County Metropolitan Transportation Authority ("Metro") as of and for the year ended June 30, 2007, and have issued our report thereon dated November 28, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Metro's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Metro's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metro's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of Metro's Board of Directors, management, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Price Waterhouse Coopers LLP

November 28, 2007



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**Report of Independent Auditors on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over Compliance
In Accordance With OMB Circular A-133**

Board of Directors
Los Angeles County Metropolitan Transportation Authority
Los Angeles, California

Compliance

We have audited the compliance of the Los Angeles County Metropolitan Transportation Authority ("Metro") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Metro's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Metro's management. Our responsibility is to express an opinion on Metro's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Metro's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Metro's compliance with those requirements.

In our opinion, Metro complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Metro is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Metro's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of Metro's internal control over compliance.



A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal, State and Local Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2007, and have issued our report thereon dated November 28, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The accompanying schedule of expenditures of federal, state, and local awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Metro's Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Price Waterhouse Coopers LLP

February 20, 2008

**Los Angeles County
Metropolitan Transportation Authority
Schedule of Expenditures of Federal, State and Local Awards
Fiscal Year Ended June 30, 2007**

Grant Description	CFDA#	Grant #	Award	Total	Total Expended (Returned) Under Federal/State/Local/City For the Fiscal Year Ended June 30, 2007		
					Federal	State	Local
FEDERAL GRANTS							
FTA CAPITAL INVESTMENT GRANTS PROGRAM (20.500)							
FIXED GUIDEWAY PROGRAM FY 99	20.500	CA030511	\$ 23,007,222	\$ 44	\$ -	\$ 44	\$ -
PREVENTIVE MAINT	20.500	CA030511	6,789,684	-	-	-	-
FIXED GUIDEWAY PROGRAM FY 00	20.500	CA030538	6,728,772	-	-	-	-
PREVENTIVE MAINT	20.500	CA030538	5,663,346	-	-	-	-
BUS AND BUS RELATED FACILITIES	20.500	CA030539	15,792,723	-	-	-	-
FY01 RAIL MOD	20.500	CA030568	70,763,675	6,078,526	4,862,820	-	1,215,706
OPERATING	20.500	CA030568	6,115,088	-	-	-	-
REG. GRANTEE BUSES AND SHELTERS	20.500	CA030574	8,243,601	-	-	-	-
SUB. RECIPI. GRANTEE - VEH/INTE	20.500	CA030594	5,298,185	3,076,335	2,524,499	-	550,836
MGL EASTSIDE EXT. FY07 NS INCREMENT	20.500	CA030508	263,133,449	131,304,397	128,964,833	-	2,339,564
MGL EASTSIDE EXT. FY05 FIXED GUIDEWAY	20.500	CA030661	12,000,000	28,875,000	12,000,000	16,109,786	765,214
FY02/03 SUBGRANTEE VEHICLES/FAC	20.500	CA030663	1,478,683	167,568	134,054	-	33,514
FY04 RAIL MOD	20.500	CA030683	10,741,999	62	49	-	13
PREVENTIVE MAINT	20.500	CA030683	37,266,690	-	-	-	-
PREVENTIVE MAINT	20.500	CA030683	1,467,442	-	-	-	-
REG. GRANTEE	20.500	CA030694	396,012	-	-	-	-
FY04/05 SEC 5309 ALTERNATE FUEL BUSES	20.500	CA030702	5,827,051	6,346,700	5,267,761	-	1,078,939
SIERRA MADRE CNG FUELING STATION	20.500	CA030707	295,704	-	-	-	-
REG SO PAS & SFV EASTVEN PARK&RIDE LOT	20.500	CA030725	639,391	158,596	151,301	-	7,295
CERRITOS VEHICLE ACQUISITION	20.500	CA030748	1,117,273	1,280,012	1,062,410	-	217,602
ENHANCEMENTS	20.500	CA030760	242,718	-	-	-	-
METRO GOLD LINE FOOTHILL EXTENSION LRT	20.500	CA030751	4,432,715	1,584,340	1,267,472	-	316,868
BALDWIN PK PARK STRUCTURE PE & SF BUSES	20.500	CA030776	533,980	-	-	-	-
METRO ORANGE LINE IRRIG. & LANDSCAPING	20.500	CA040009	1,172,992	1,466,240	1,172,992	-	293,248
FY06 FG-PM RAIL FAC UPGRADE	20.500	CA050201	14,639,905	4,735,692	3,789,354	-	947,338
PREVENTIVE MAINT	20.500	CA050201	18,716,994	4,725,818	3,780,654	-	945,164
PREVENTIVE MAINT	20.500	CA050212	40,281,000	45,625,432	36,500,346	-	9,125,086
CFDA Sub-Total			555,786,304	235,424,761	201,478,545	16,109,786	17,836,430

See accompanying notes to Schedule of Expenditures of Federal, State and Local Awards.

**Los Angeles County
Metropolitan Transportation Authority
Schedule of Expenditures of Federal, State and Local Awards (Continued)
Fiscal Year Ended June 30, 2007**

Grant Description	CFDA#	Grant #	Award	Total	Total Expended (Returned) Under Federal/State/Local/City For the Fiscal Year Ended June 30, 2007		
					Federal	State	Local
FEDERAL GRANTS (Continued)							
FTA FORMULA GRANTS (20.507)							
BUS SERVICE MAINTENANCE & OPERATION	20.507	CA900856	\$ 74,863,760	\$ -	\$ -	\$ -	\$ -
OPERATING	20.507	CA900856	70,788,272	233,303	186,642	-	46,661
COPS	20.507	CA900856	10,744,708	-	-	-	-
BUS SERVICE MAINTENANCE & OPERATION	20.507	CA900970	731,065,804	16,626,887	13,237,652	35,914	3,229,724
OPERATING	20.507	CA900970	245,893,786	-	-	-	-
COPS	20.507	CA900970	10,294,865	-	-	-	-
BUS SERVICE MAINTENANCE & OPERATION	20.507	CA900970	32,588,497	4,764	3,811	-	953
OPERATING	20.507	CA900970	59,130,425	-	-	-	-
COPS	20.507	CA900970	9,829,235	-	-	-	-
BUS SERVICE MAINTENANCE & OPERATION	20.507	CA900970	10,276,000	-	-	-	-
OPERATING	20.507	CA900970	5,054,000	-	-	-	-
COPS	20.507	CA900970	5,985,469	-	-	-	-
BUS SERVICE MAINTENANCE & OPERATION	20.507	CA900970	21,343,872	(214)	(172)	-	(42)
SUBGRANTEE VEHICLES/TRANSIT FAC	20.507	CA900970	55,800,000	-	-	-	-
FY 04 FORMULA FUND	20.507	CA900970	96,266,998	308,014	246,411	-	61,603
OPERATING - CMAQ	20.507	CA900970	7,400,000	-	-	-	-
OPERATING	20.507	CA900970	28,919,529	4,974,462	2,798,312	-	2,176,150
EXPOSITION LRT TOPR	20.507	CA900970	873,000	921,258	550,000	-	71,258
RAPID BUS	20.507	CA900970	7,895,000	-	-	-	-
REGIONAL SUBGRANTEE VEHICLES	20.507	CA900970	29,500,481	2,870,878	2,541,411	-	329,467
CAPITAL & OPERATING ASSISTANCE	20.507	CA900970	140,805,920	-	-	-	-
OPERATING - CMAQ	20.507	CA900970	30,010,000	948,565	209,095	-	739,470
ARTIC BUSES AND UFS	20.507	CA900970	15,361,000	40,061	-	-	40,061
REGIONAL SVCS CTR & CLEARINGHOUSE	20.507	CA900970	5,700,000	-	-	-	-
OPERATING - CMAQ	20.507	CA900970	291,000	-	-	-	-
REG GRANTEE	20.507	CA900970	62,000,000	36,524,976	31,591,494	-	4,933,482
BUS ACQ/UPS/STORAGE LINE OP ASST/PM	20.507	CA900970	23,685,060	-	-	-	-
OPERATING	20.507	CA900970	4,100,000	2,538,091	2,030,473	-	507,618
OPERATING - CMAQ	20.507	CA900970	2,861,457	127,191	(2,248)	-	129,439
FY08 AWC 5367 CAPITAL & PM	20.507	CA900970	129,031,288	914,291	731,433	-	182,858
OPERATING	20.507	CA900970	10,600,000	12,928,251	10,262,601	-	2,665,650
OPERATING - CMAQ	20.507	CA900970	516,210	12,842	-	-	12,842
FY08 TRANSIT ENHANCEMENTS	20.507	CA900970	1,644,442	890,665	712,549	-	178,137
PREV MAINT/METRO CONNECTION, UFS CIRGRHS	20.507	CA900970	122,442,961	153,051,864	122,441,507	-	30,610,377
PREVENTIVE MAINTENANCE	20.507	CA900970	6,434,758	8,043,448	6,434,758	-	1,608,690
FY08 GROWING STATE - PM RAIL	20.507	CA900970	-	-	-	-	-
CFDA Sub-Total			2,069,817,578	241,459,238	193,975,729	35,914	47,424,198
							23,397

See accompanying notes to Schedule of Expenditures of Federal, State and Local Awards.

**Los Angeles County
Metropolitan Transportation Authority
Schedule of Expenditures of Federal, State and Local Awards (Continued)
Fiscal Year Ended June 30, 2007**

Grant Description	CFDA#	Grant #	Award	Total	Total Expended (Returned) Under Federal/State/Local/City For the Fiscal Year Ended June 30, 2007			
					Federal	State	Local	City
FEDERAL GRANTS (Continued)								
FTA PUBLIC TRANSPORTATION RESEARCH (20.514) BRT CONSORTIUM	20.514	CA267031	\$ 100,000	\$ 689	\$ -	\$ -	\$ -	
CFDA Sub-Total			100,000	689	-	-	-	
FTA STATE PLANNING AND RESEARCH (20.515) EMERGENCY PREPAREDNESS DRILL	20.515	CA40X002	50,000	-	-	-	-	
CFDA Sub-Total			50,000	-	-	-	-	
FTA REVERSE COMMUTE PROGRAM (20.516) JOB ACCESS LA COUNTY JARC PROJECT LA C JARC PROJECT RIDESHARE FLEXCAR FY06 LOS ANGELES COUNTY JARC	20.516 20.516 20.516 20.516	CA-37-X019 CA-37-X057 CA-37-X060 CA-37-X071	4,492,300 2,000,000 866,837 624,016	589,127 521,899 - 99,328	294,064 260,950 - 99,328	- - - -	294,063 260,949 - -	
CFDA Sub-Total			7,983,153	1,209,354	654,342	-	555,012	
FY06 NEW FREEDOM (20.521)	20.521	CA57X003	260,079	2,638	2,638	-	-	
CFDA Sub-Total			260,079	2,638	2,638	-	-	
Total US Department of Transportation			2,633,997,114	478,096,680	399,111,943	16,145,700	65,815,640	
URBAN AREAS SECURITY INITIATIVE (97.008) HOMELAND SECURITY HOMELAND SECURITY HOMELAND SECURITY HOMELAND SECURITY	97.008 97.008 97.008 97.008	2004EUT30003 2004GTT4K017 OHS2004-17 2005-G8-T5-002	4,857,600 1,500,000 795,280 3,327,500	1,553,957 1,013,166 182,078 430,802	1,553,957 1,013,166 173,612 428,442	- - - -	- - 8,466 2,360	
Total US Department of Justice			10,180,380	3,180,003	3,169,177	-	10,826	
Total Federal Grants			2,644,177,494	481,276,683	399,281,120	16,145,700	65,826,466	
							23,397	

See accompanying notes to Schedule of Expenditures of Federal, State and Local Awards.

**Los Angeles County
Metropolitan Transportation Authority
Schedule of Expenditures of Federal, State and Local Awards (Continued)
Fiscal Year Ended June 30, 2007**

Grant Description	CFDA#	Grant #	Award	Total	Total Expended (Returned) Under Federal/State/Local/City For the Fiscal Year Ended June 30, 2007			
					Federal	State	Local	City
STATE GRANTS				\$	\$	\$	\$	\$
RIDESHARE FUNDING RPL		RPL-6065(070)		(18,583)	-	-	(18,583)	-
RIDESHARE FUNDING RPL-6085		RPL-6065(076)		3,731,820	-	-	3,731,820	-
SAN FERNANDO VALLEY EAST-WEST		TCR07A0034-2		251,284	-	251,284	-	-
SFV NORTH SOUTH BRT		TCR07A0034-5		14,062	-	14,062	-	-
RIDESHARE FUNDING RPL-6085		RPL-6065(082)		(89,390)	-	-	(89,390)	-
MID-CITY BRT TOR		TCR07A0034-1		-	-	-	-	-
CORRIDOR STUDY		TCR 07A1007		-	-	-	-	-
RST/PCFP 2001 PRESERVATION		STLP-6065(098)		-	-	-	-	-
TEA CAL STATE LA & USC MED		STPLER-6065(089)		(19,757)	-	-	(19,757)	-
REG RIDESHARE RPL-6065 (090)		STLP-6065(080)		60,546,461	-	60,546,461	-	-
EXPOSITION LRT TCRP		TCR07A0034-6		738,289	-	590,615	147,654	-
SR2 S.FWY TERMINUS		AP21L6065		5,860,301	-	5,860,301	-	-
STIP PPM		PPM05-6065(117)		299	-	-	299	-
FHWA GRANTS		07A1631		20,861,960	-	7,957,024	12,904,936	-
FWY SERVICE PATROL		FSP06-6065		6,749,001	1,836,460	-	3,737,012	1,175,529
MGL EASTSIDE EXTENSION		TCR07A0034-3		-	-	-	-	-
CALTRAN 07A1774 SUBGRANTEE		07A1774		73,989	-	73,989	-	-
CORRIDOR NEW STARTS		74A0229		5,898,868	-	5,898,868	-	-
CALTRAN S 07A0034-10		07A0034-10-A1		-	-	-	-	-
EXPOSITION METRO LINE CONST		TCR07A0034-8		-	-	-	-	-
CALTRANS 74A0248		74A0248		22,644	-	20,380	2,264	-
Total State Grants				104,531,228	1,836,460	81,202,984	20,416,255	1,175,529
Grand Total				\$ 585,907,911	\$ 401,117,580	\$ 97,348,884	\$ 88,242,721	\$ 1,198,928

See accompanying notes to Schedule of Expenditures of Federal, State and Local Awards.

Los Angeles County
Metropolitan Transportation Authority
Notes to the Schedule of Expenditures of Federal, State and Local Awards
Fiscal Year Ended June 30, 2007

1. General

The accompanying Schedule of Expenditures of Federal, State and Local Awards (the "Schedule") presents the activity of all expenditures of federal award programs of the Los Angeles County Metropolitan Transportation Authority ("Metro"). Metro's reporting entity is defined in Note 1 in Metro's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the Schedule. The Schedule also includes state and local grants that participate in the federal awards.

2. Basis of Presentation

The Schedule includes the federal grant activity of Metro. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, Metro's audited financial statements.

3. State and Local Funds Reimbursement

Metro utilizes state and local funds when federal funds are not received in a timely manner. Upon receipt of federal funds, Metro reimburses state and local funds that were utilized for expenditures for federal programs. Reimbursements are shown as credit balances in the Schedule.

4. Federal Financial Assistance

Pursuant to the Single Audit Act and the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement, the federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

5. Major Programs

The Single Audit Act and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for Metro are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

6. Audits Performed by Other Organizations

There were no audits performed by other organizations of Metro's federal grant program in fiscal year 2007.

**Los Angeles County
Metropolitan Transportation Authority
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2007**

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not
considered to be material weakness(es)?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not
considered to be material weakness(es)?

_____ Yes X None reported

Type of auditors' report issued on compliance for
major programs:

Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section 510(a)
of Circular A-133?

_____ Yes X No

Identification of major programs

CFDA Number

Name of Federal Program or Cluster

20.500

Federal Transit – Capital Investment Grants

20.507

Federal Transit – Formula Grants

97.008

Urban Areas Securities Initiative

Dollar threshold used to distinguish between Type A
and Type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II – Financial Statement Findings

No financial statement findings were reported.

**Los Angeles County
Metropolitan Transportation Authority
Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended June 30, 2007**

Section III – Federal Award Findings and Questioned Costs

No current year findings were noted.

Section IV – Schedule of Prior Year Findings and Disposition

No prior year findings were reported.

